

City of Wyoming
Independent Accountant's Examination Report
For the Period
July 1, 2012 through June 30, 2013

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City of Wyoming

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
(Before January 1, 2013)		
Steve Heiken	Mayor	Jan 2013
Steve Agnitsch	Council Member	Jan 2014
Kelly Dodge	Council Member	Jan 2014
Chris Watters	Council Member	Jan 2014
Rod Gravel	Council Member	Jan 2016
John Hollingshead	Council Member	Jan 2013
Sheri Tjaden	City Clerk	Indefinite
Janette Voss	City Attorney	Indefinite
(After January 1, 2013)		
Keith Somerville	Mayor	Jan 2014
Steve Agnitsch	Council Member	Jan 2014
Kelly Dodge	Council Member	Jan 2014
Chris Watters	Council Member	Jan 2014
Rod Gravel	Council Member	Jan 2016
Craig Taylor	Council Member	Jan 2016
Sheri Tjaden	City Clerk	Indefinite
Janette Voss	City Attorney	Indefinite

James R. Ridihalgh, C.P.A.
Gene L. Fuelling, C.P.A.
Donald A. Snitker, C.P.A.
Jeremy P. Lockard, C.P.A.

14 East Charles St, PO Box 639
Oelwein, IA 50662
(319)283-1173
Fax (319)283-2799

Independent Accountant's Examination Report

To the Honorable Mayor
and Members of City Council:

We have performed an examination of the City of Wyoming pursuant to Chapter 11.6 of the Code of Iowa. Accordingly, we have applied certain tests and procedures to selected accounting records and related information of the City of Wyoming for the period July 1, 2012 through June 30, 2013. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

The procedures we performed are summarized as follows:

1. We reviewed selected City Council meeting minutes for compliance with Chapters 21, 372.13(6), and 380 of the Code of Iowa.
2. We reviewed the City's internal controls to determine if proper control procedures are in place and incompatible duties, from a control standpoint, are not performed by the same employee.
3. We reviewed surety bond coverage for compliance with Chapter 64 of the Code of Iowa.
4. We obtained and reviewed the City Clerk's financial reports and selected bank reconciliations to determine whether the bank balances properly reconciled to the general ledger account balances and monthly financial reports provided to the City Council.
5. We reviewed City funds for consistency with the City Finance Committee's (CFC) recommended uniform chart of accounts and to determine required funds and fund balances are properly maintained and accurately accounted for.
6. We reviewed the City's fiscal year Annual Financial Report (AFR) to determine whether it was completed and accurately reflects the City's financial information.
7. We reviewed investments to determine compliance with Chapter 12B of the Code of Iowa.
8. We reviewed compliance with Chapters 12C.2, 12B.10B and 556.1(12) of the Code of Iowa pertaining to required depository resolutions, investment policy and reporting of unclaimed property to the State of Iowa.

9. We reviewed debt, including general obligation and revenue bonds/notes, and related transactions for proper authorization and compliance with Chapters 75, 384 and 403.9 of the Code of Iowa and to determine whether the debt and related proceeds and repayments were properly accounted for.
10. We reviewed and tested selected receipts for accurate accounting and consistency with the CFC recommended chart of accounts.
11. We reviewed and tested selected disbursements for proper approval, adequate supporting documentation, accurate accounting and consistency with the CFC recommended chart of accounts and compliance with the public purpose criteria established by Article III, Section 31 of the Constitution of the State of Iowa.
12. We reviewed transfers between funds for propriety, proper authorization and accurate accounting.
13. We reviewed and tested selected payroll and related transactions for propriety, proper authorization and accurate accounting.
14. We reviewed the annual certified budget for proper authorization, certification and timely amendment.

Based on the performance of the procedures described above, we identified various recommendations for the City. Our recommendations are described in the Detailed Recommendations section of this report. Unless reported in the Detailed Recommendations, items of non-compliance were not noted during the performance of the specific procedures listed above.

We were not engaged to and did not conduct an audit of the operations of the City of Wyoming, the objective of which is the expression of opinions on financial statements. Accordingly, we do not express opinions on the City's financial statements. Had we performed additional procedures, or had we performed an audit of the City of Wyoming, additional matters might have come to our attention that would have been reported to you.

The report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of the City of Wyoming and other parties to whom the City of Wyoming may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the City of Wyoming during the course of our examination. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

Ridihalgh, Fuelling, Snitker, Weber & Co., P.C.

Ridihalgh, Fuelling, Snitker, Weber & Co., P.C.

October 15, 2013

Detailed Recommendations

City of Wyoming

Detailed Recommendations

For the period July 1, 2012 through June 30, 2013

(A13) Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. Generally, one individual has control over each of the following areas for the City:

- (1) Cash – handling, reconciling and recording.
- (2) Receipts – opening mail, collecting, depositing, journalizing, reconciling and posting.
- (3) Disbursements – purchasing, invoice processing, check writing, mailing, reconciling and recording.
- (4) Payroll – recordkeeping, preparation and distribution.
- (5) Utilities – billing, collecting, depositing and posting.
- (6) Financial reporting – preparation and reconciling.
- (7) Journal entries – preparing and journalizing.

Recommendation – We realize segregation of duties is difficult with a limited number of employees. However, the City should review its control procedures to obtain the maximum internal control possible under the circumstances utilizing currently available staff, including elected officials. Independent reviews of reconciliations should be evidenced by the signature or initials of the reviewer and the date of the review.

(B13) Annual Financial Report – Review of the Annual Financial Report (AFR) for the fiscal year under examination (to be filed by December 1, 2013) showed a difference of \$50 between the beginning cash fund balances on the AFR and client records. The difference was within the Proprietary cash fund balances.

Recommendation – The City should establish review procedures to ensure amounts reported on the AFR agree to client records.

(C13) Journal Entries – The City Clerk has control over multiple duties within the City due to its relatively small size, including preparing and posting journal entries. It was noted that there is no independent approval of journal entries prepared and posted.

Recommendation – The City should implement a procedure to have an independent person review and authorize journal entries prepared by the City Clerk such as the Mayor or a member of the City Council. Authorization should be documented by the initials of the reviewer as well as the date of the review.

City of Wyoming

Detailed Recommendations

For the period July 1, 2012 through June 30, 2013

(D13) Business Transactions - We noted no business transactions between the City and City officials or employees during the fiscal year. Per Chapter 362.5(k) of the Code of Iowa, business transactions between officials or employees may represent a conflict of interest if the total of all transactions were more than \$2,500 during a fiscal year and the transactions were not competitively bid.

Recommendation - The City should review transactions with officials or employees. This review should include separate entities in which the City official or employee holds a key position. Any potential conflicts of interest whether direct or indirect, with exceptions, with individuals or entities identified should be competitively bid to comply with Chapter 362.5(k) of the Code of Iowa.

Staff

This examination was performed by:

Jeremy P. Lockard, CPA, Manager
James Remington, Staff Auditor